

Message Text

UNCLASSIFIED

PAGE 01 ROME 15392 061913Z

73

ACTION TRSE-00

INFO OCT-01 EUR-12 ISO-00 FSE-00 DODE-00 ABF-01 /014 W

----- 009914

R 061630Z NOV 74

FM AMEMBASSY ROME

TO SECSTATE WASHDC 7964

INFO DIVENGR USAEDM LEGHORN

USDOCOLANDSOUTH VERONA

USASETAF VICENZA

USCINCUSAREUR HEIDELBERG

UNCLAS ROME 15392

E.O. 11652 N/A

TAGS: EFIN, IT

SUBJ: CASHING OF PERSONAL CHECKS BY FAO'S

PASS DOD; PASS TREASURY FOR COX

REF: A. USAREUR MSG AEAFFS 031511Z SEP 74

B. USAREUR MSG AEAGD-FS 251211Z OCT 74

1. /SUMMARY/. EMBASSY HAS JUST LEARNED ABOUT TWO RECENT MESSAGES FROM USAREUR CONCERNING CASHING OF PERSONAL CHECKS ON US ARMY BASES (SEE REFTELS). WE ASSUME THAT NEITHER OF THESE MESSAGES ARE APPLICABLE TO US ARMY BASES IN ITALY, BECAUSE OF SPECIAL BANKING FACILITY ARRANGEMENTS IN ITALY WHICH DIFFER FROM THOSE ELSEWHERE.

/END SUMMARY./

2. IF WE UNDERSTAND REF A CORRECTLY, ITS INTENT IS TO LIMIT SIZE OF PERSONAL CHECKS CASHED BY MILITARY BANKING FACILITY (MBF) IN ORDER TO AVOID POTENTIAL BAD DEBTS AND THEREFORE LIMIT AMOUNT OF US TREASURY SUBSIDY PAID TO MBF'S. IN ITALY, BANKING SERVICES FOR ALL US MILITARY BASES ARE PROVIDED EXCLUSIVELY BY ITALIAN BANKS WHICH TO NOT, REPEAT NOT, RECEIVE ANY SUBSIDY FROM US TREASURY. MAXIMUM AMOUNT WHICH MBF'S WILL CASH IN FORM OF PERSONAL CHECK DEPENDS UPON OPERATING AGREEMENTS NEGOTIATED LOCALLY,
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 ROME 15392 061913Z

WITHIN FRAMEWORK OF 1963 MEMORANDUM OF UNDERSTANDING AGREED

TO BY BANK OF ITALY, US MILITARY FINANCE OFFICERS, ITALIAN BANKS, AND TREASURY ATTACHE. MAXIMUM FEES CHARGEABLE FOR VARIOUS BANKING SERVICES ARE EMBODIED IN 1963 MEMO AND HAVE ALWAYS DIFFERED SOMEWHAT FROM FEE SCHEDULES PREVAILING OUTSIDE ITALY.

3. REF B SEEMS INTENDED TO CREATE ALTERNATIVE MEANS FOR CASHING PERSONAL CHECKS IN AMOUNTS ABOVE DLR 100 LIMIT CITED IN REF A. IN ITALIAN CASE, THIS IS NOT NECESSARY, SINCE MAXIMUM AMOUNTS ARE DETERMINED LOCALLY AND SPECIFIED IN OPERATING AGREEMENTS WITH NO DIRECT OR INDIRECT LIABILITY ASSUMED BY U. S. TREASURY IN EVENT OF BAD CHECKS. CONSEQUENTLY, THERE IS NO NEED TO AUTHORIZE FINANCE AND ACCOUNTING OFFICES (FAO) TO SUPPLEMENT CHECK CASHING SERVICES PROVIDED BY MBF'S. IN FACT, WE HAVE SOUGHT TO DISCOURAGE FAO'S IN ITALY FROM DOING SO, SINCE THIS COMPETITION WOULD REDUCE OR ELIMINATE PROFITABILITY OF MBF OPERATIONS. WHEN MEMO OF UNDERSTANDING WAS NEGOTIATED, IT WAS UNDERSTOOD THAT MBF'S WOULD NOT ORDINARILY HAVE TO COMPETE WITH FAO'S. IN RECENT YEARS, WE HAVE HAD SOME PROBLEMS BECAUSE ITALIAN MBF'S HAVE CLAIMED THAT THEY WERE LOSING MONEY ON OPERATIONS IN ABSENCE OF ANY US TREASURY SUBSIDY, AND THERE IS REAL DANGER THAT SMALLER US BASES COULD BE LEFT WITHOUT ANY BANKING FACILITIES AT ALL, IF PROFITABILITY OF MBF OPERATIONS IS ERODED BY COMPETITION FROM FAO'S.

4. IF WE DO NOT RECEIVE INFORMATION TO CONTRARY, WE ASSUME THAT REF MESSAGES DO NOT APPLY IN ITALY FOR REASONS CITED ABOVE.
VOLPE

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CHECKS (MONEY)
Control Number: n/a
Copy: SINGLE
Draft Date: 06 NOV 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974ROME15392
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740319-0694
From: ROME
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741166/aaaacdyyv.tel
Line Count: 88
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION TRSE
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: A. USAREUR MSG AEAF-FS 031511Z SEP 7, 4
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 13 NOV 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <13 NOV 2002 by boyleja>; APPROVED <27 NOV 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: CASHING OF PERSONAL CHECKS BY FAO'S PASS DOD; PASS TREASURY FOR COX
TAGS: EFIN, IT
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005